

HOW TO CATCH A UNICORN

DE-RISKING CREATIVITY

GDC Next
November 4, 2014
Los Angeles
Joost van Dreunen



Who I am



Who I am



Who I am





Joost Rietveld

“Being creative is not necessarily a unique virtue.”

“The myth of the angsty artist is bullshit.”







OH DEAR GOD I JUST HIT A UNICORN









Try to minimize risk at the onset of your project by carefully identifying relevant parameters that influence your design and development process.

**Customers
Finance
Platform
Partners
Market
Revenue
Organization**

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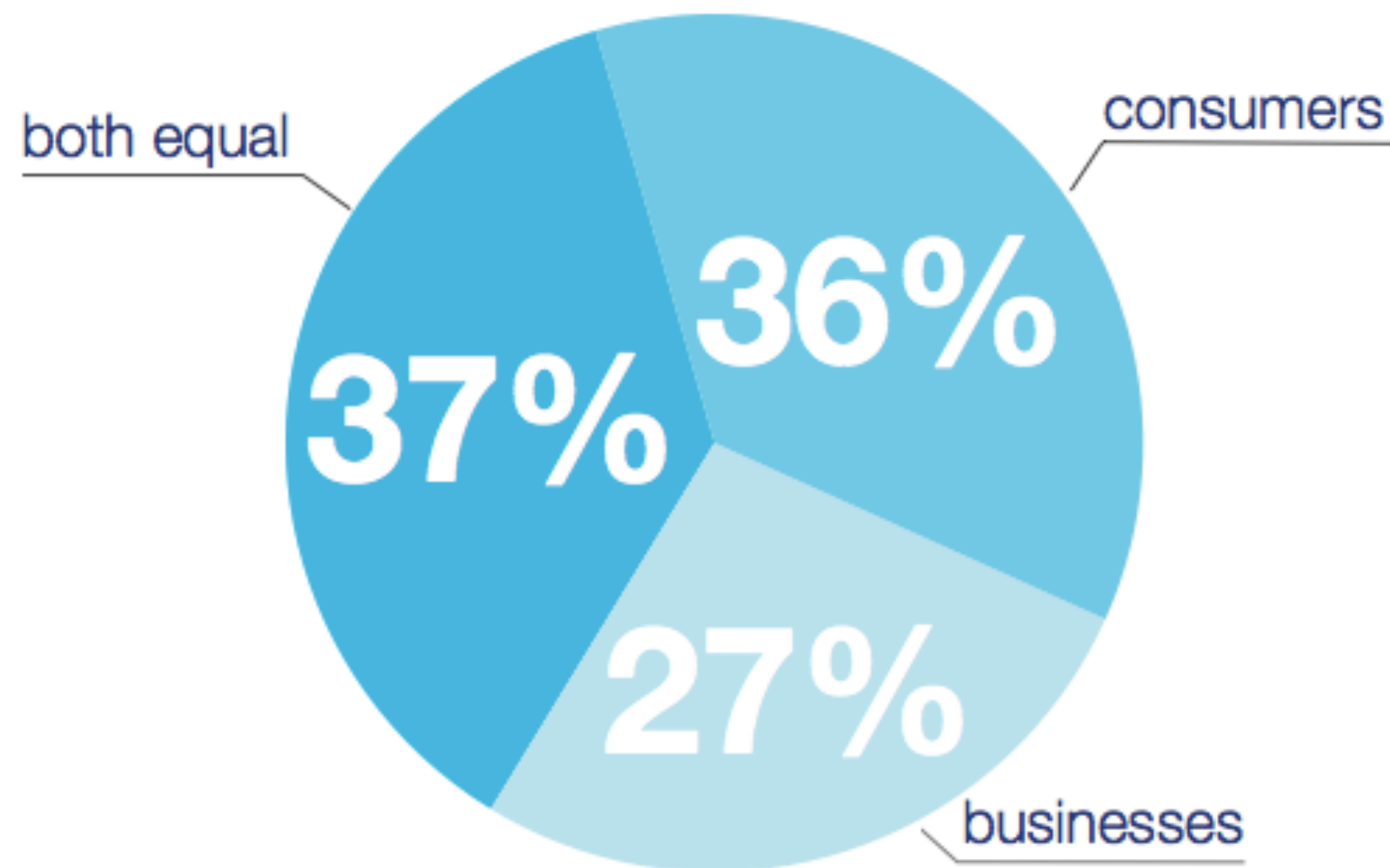
The gun-for-hire conundrum is real

“Our business model is primarily focused on securing development budgets and revenue in order to develop titles that we either fully own or part own.”

Who are your customers?

GAME COMPANIES PREFER DIRECT-TO-CONSUMER DEVELOPMENT, AND FOCUS ON MOBILE AND TABLETS.

“OUR MAIN CUSTOMERS ARE...”



Source: “**De-risking game development in the digital era: four strategic questions every game company should ask itself.**” Authors: Joost Rietveld and Joost van Dreunen. Page 9.

Ontology of a game studio, part 1

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- ★ Business loses momentum and starts to decline, apply for government funding, team size = 12

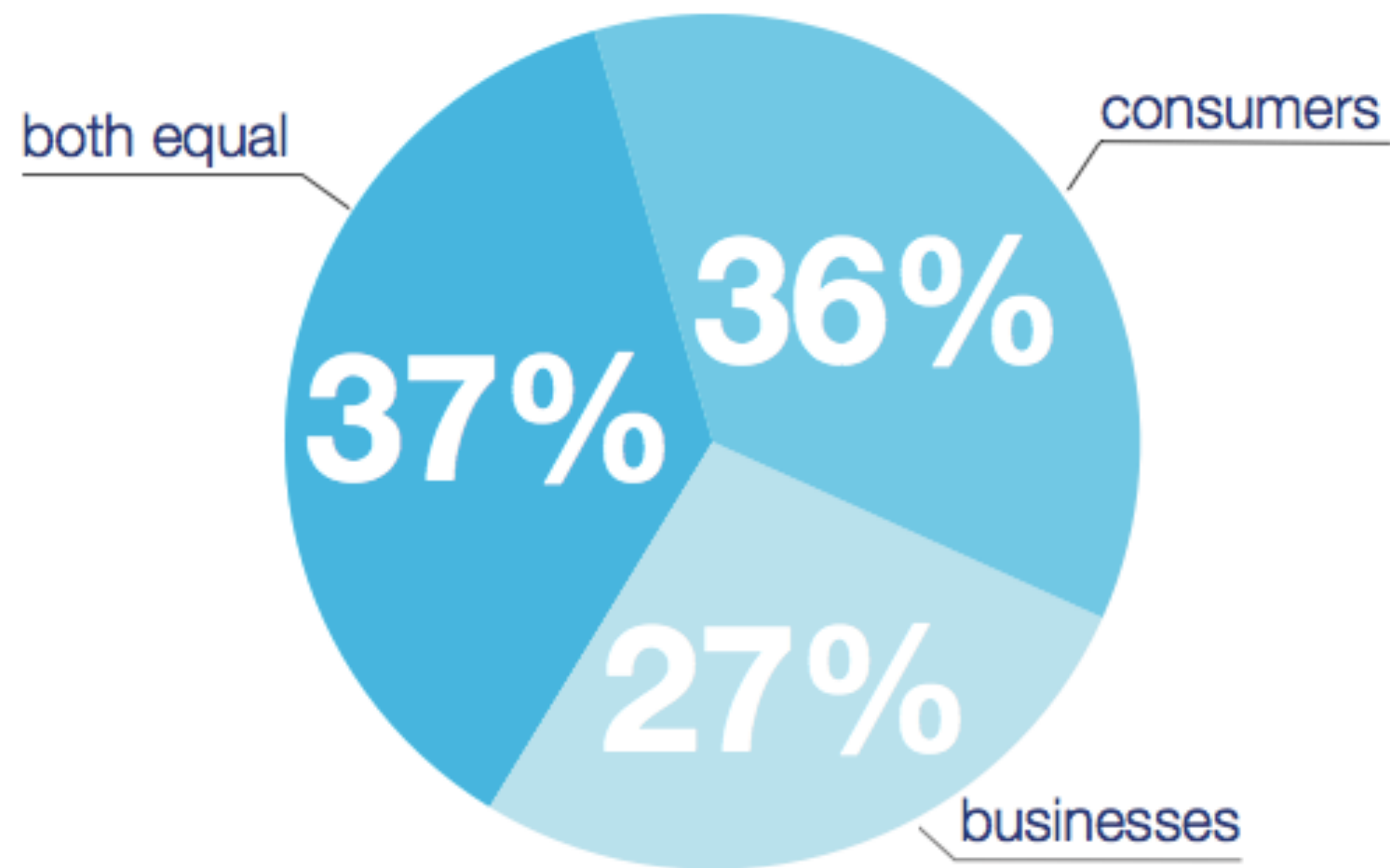
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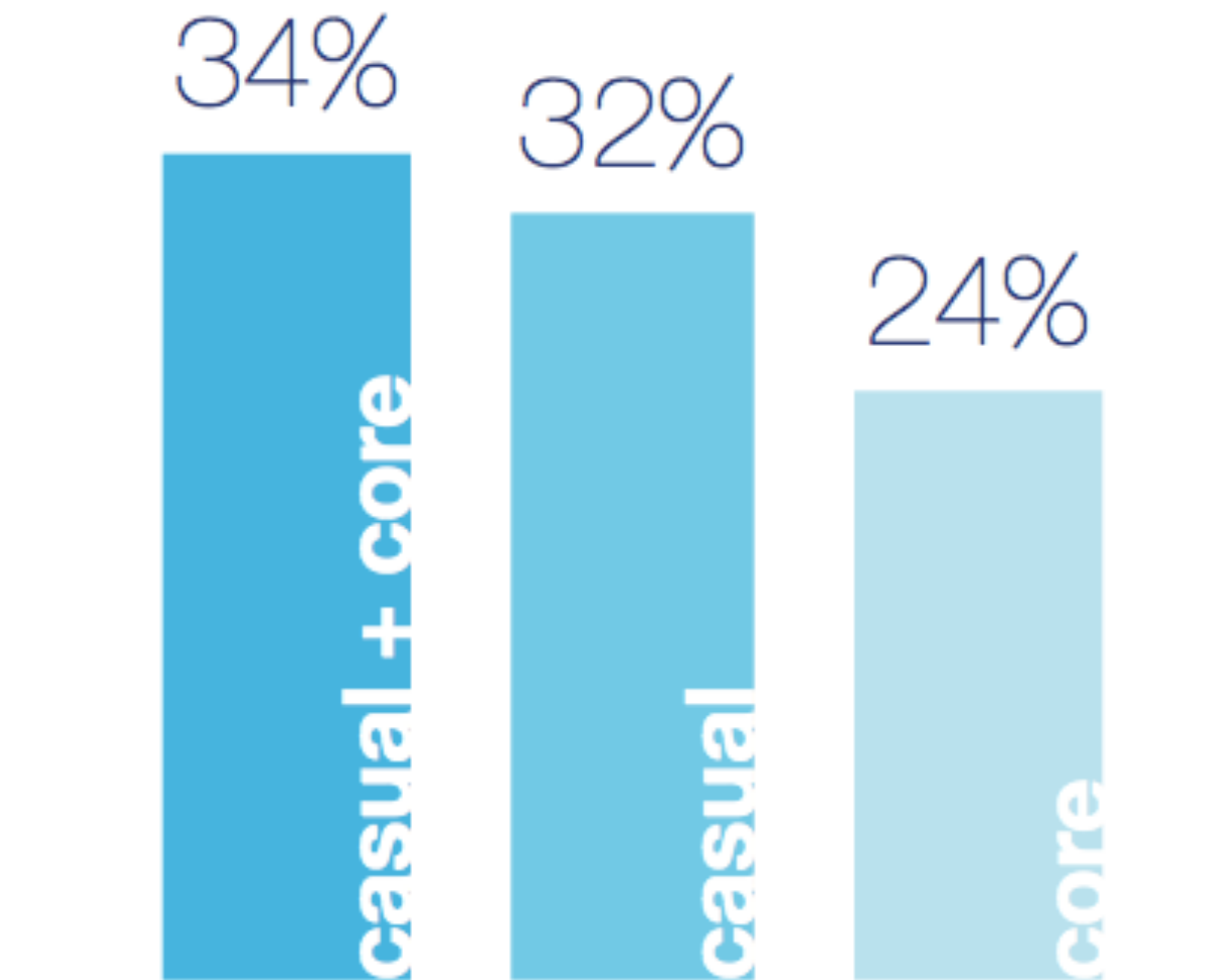
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“OUR MAIN CUSTOMERS ARE...”



“OUR GAMES ARE TARGETED AT...”



CAVE OF WONDERS



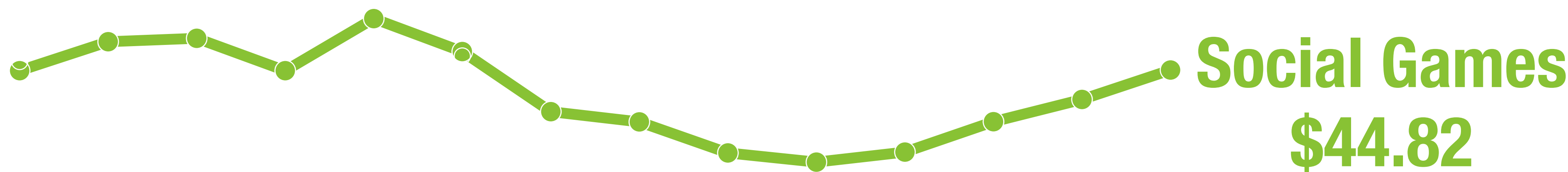
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BALANCE 8,999,871,337	PAY TABLE	LINES 24	BET 2,000	TOTAL BET 48,000	WIN 4,000
			MAX LINES	SPIN	

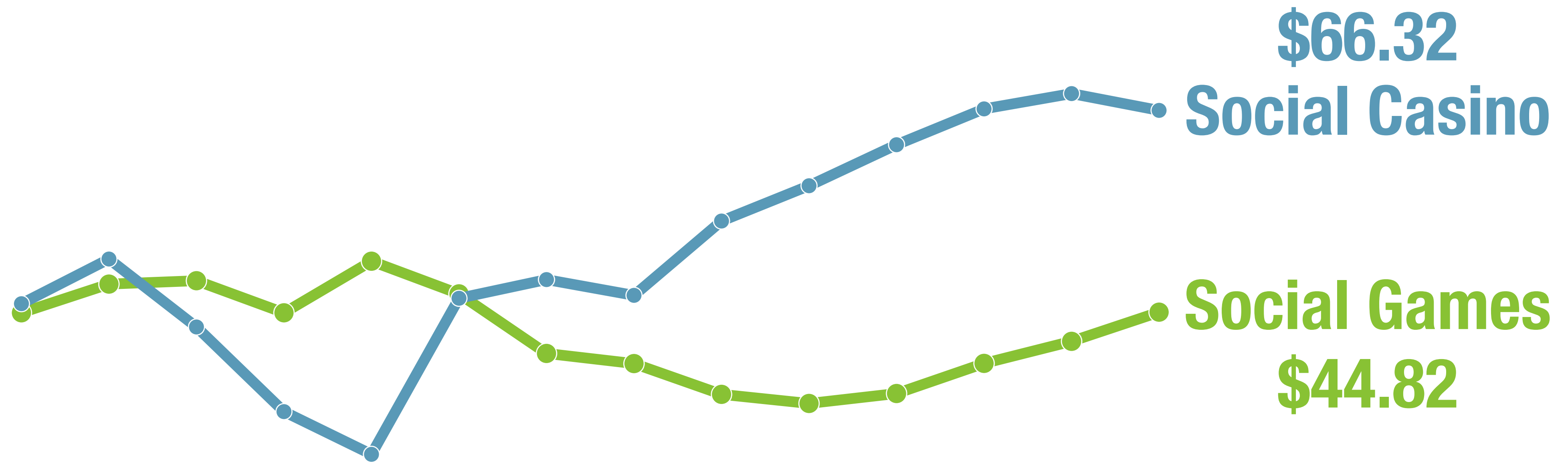
New gamer audiences want more challenging games

Average revenue per paying user (US, \$)
for **social games**



New gamer audiences want more challenging games

Average revenue per paying user (US, \$)
for **social games** vs. **social casino games**



ADDICTION BY DESIGN

Machine Gambling in Las Vegas



NATASHA DOW SCHÜLL



Puzzle & Dragons

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Money is expensive







Game industry funding options **in summary**

Type	Description	Example	Pros	Cons
Bootstrap	Reduce cost to lowest possible	▸ You	<div>▸ Total creative freedom</div> <div>▸ No accountability</div>	<div>▸ Live at your mom's, eat ramen</div> <div>▸ No accountability</div>

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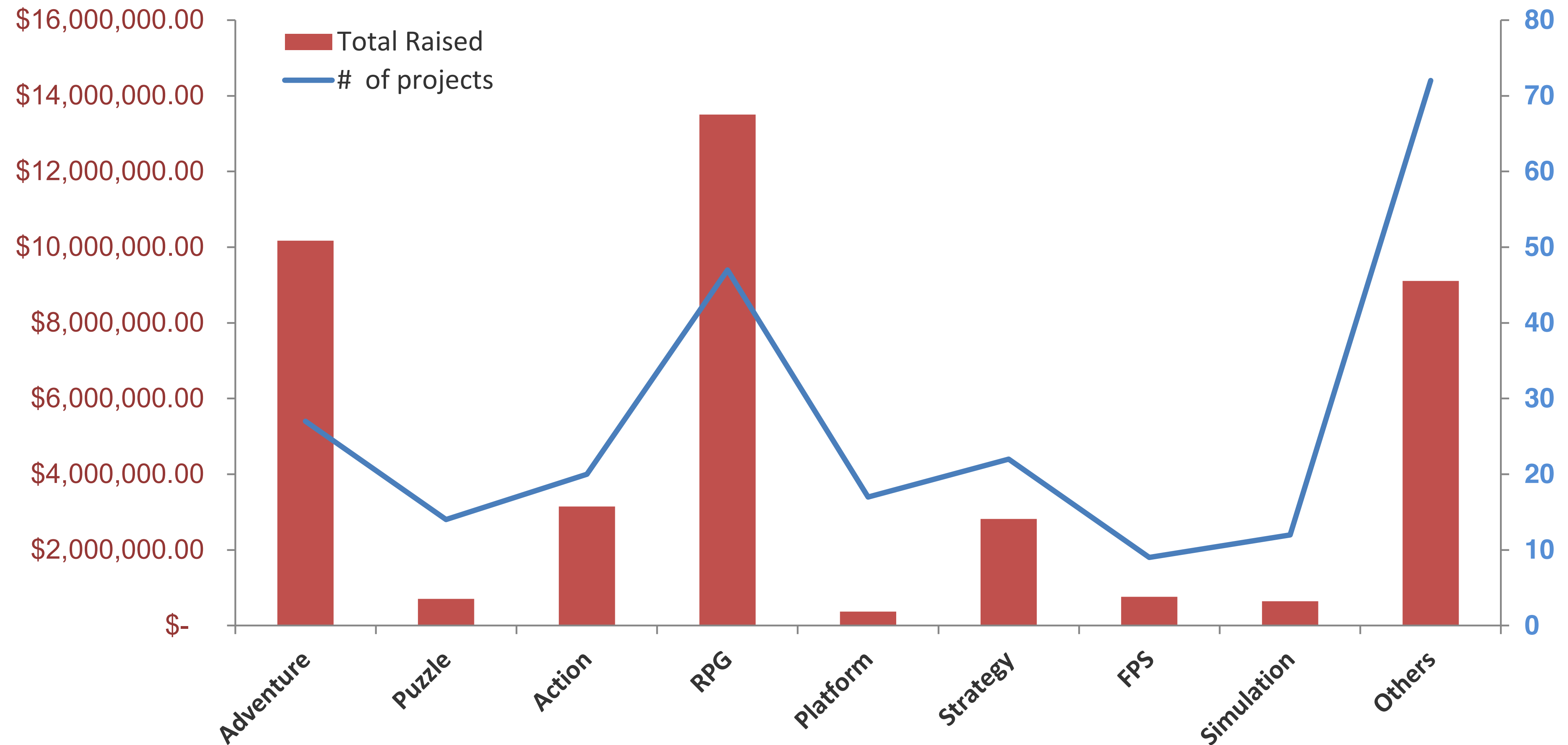
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KICKSTARTER

 **indiegogo**

Crowd-funding

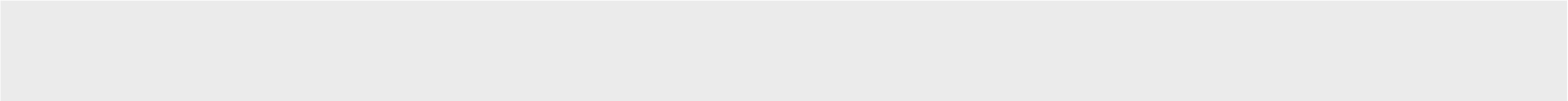
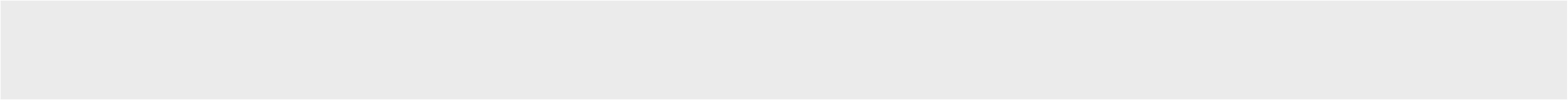
RPG AND ADVENTURE GAMES COUNT THE MOST PROJECTS AND RAISE THE MOST MONEY.



Source: ICO Partners

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A close-up shot of a man with brown hair, a beard, and black-rimmed glasses. He is wearing a dark hoodie and is speaking, with his mouth open. The background is blurred, showing what appears to be a home interior with a framed picture on the wall and some red fabric in the lower right.

Government offers “conditionally repayable loans”

WHAT'S NOT TO LIKE?

**“weeks of paperwork,
and it's really messy.”**

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Venture Capital	A fund takes the risk of investing in your company expecting a high return	<ul style="list-style-type: none"> ▸ Greycroft ▸ Union Square 	<ul style="list-style-type: none"> ▸ Quickly raise substantial amount of capital ▸ Possible industry network 	<ul style="list-style-type: none"> ▸ Surrender equity ▸ Expectation of buyout or IPO ▸ Emphasis on acquisition

Customers
Finance
Platform
Partners
Market
Revenue
Organization

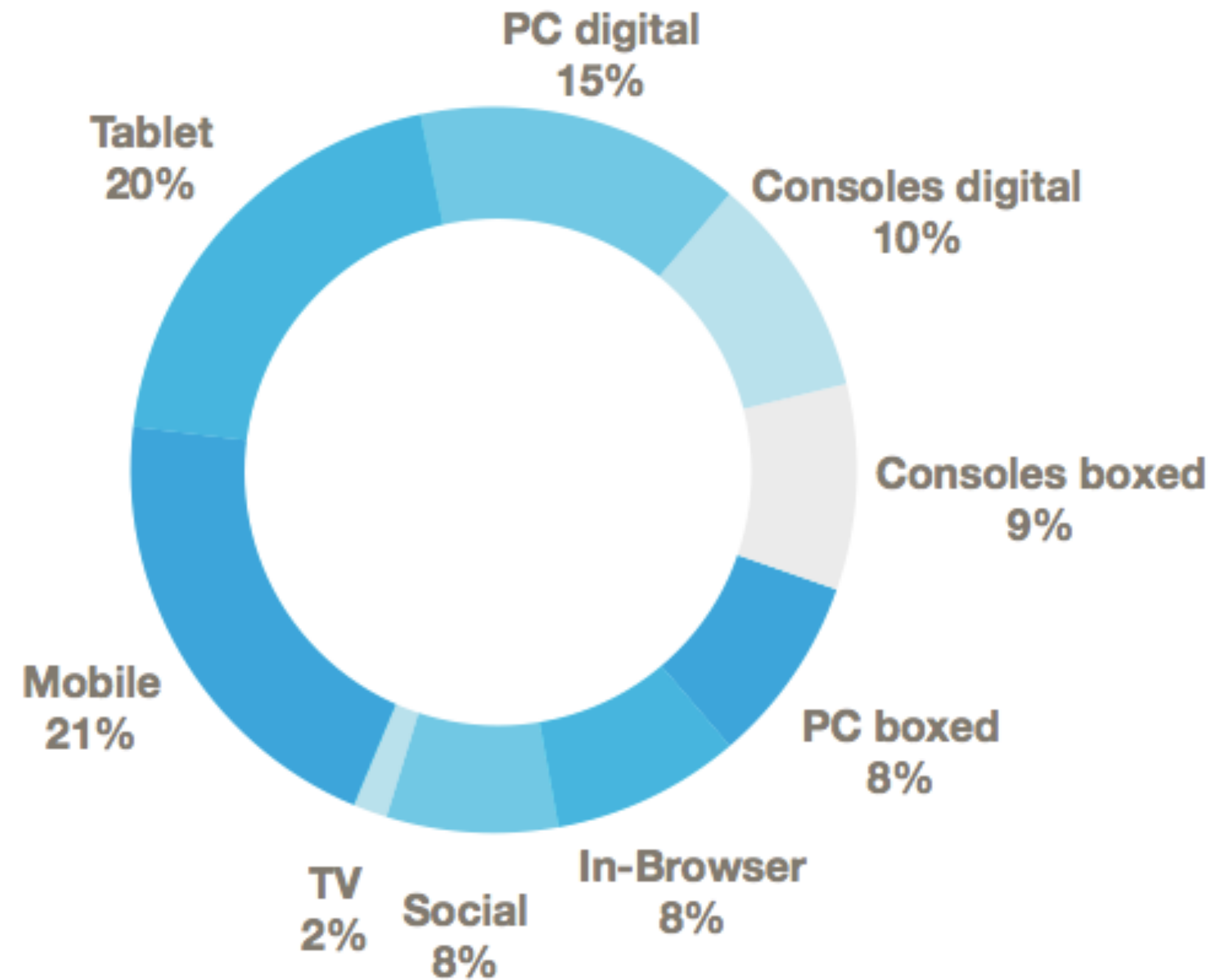
On what platforms do you offer your games?

TODAY, MOST GAME STUDIOS DEVELOP FOR MOBILE AND TABLET, MAKING THIS A CROWDED MARKET.

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“CURRENTLY, WE (OR OUR PARTNERS) HAVE RELEASED GAMES FOR THE FOLLOWING PLATFORMS...”



On what platforms do you offer your games?

CASE STUDY: MAGMIC



On what platforms do you offer your games?

CASE STUDY: VIRTUAL REALITY



“It is an anti-social technology, but we will support it to the extent it’s brought to market and it works for our games.”

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**We'll pay
for it!**

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Who are your partners?

EVERYBODY NEEDS FRIENDS.

Who are your partners?

SUSTAINABLE RELATIONSHIPS WITH GATEKEEPERS IS AN IMPORTANT STRATEGIC CONSIDERATION.

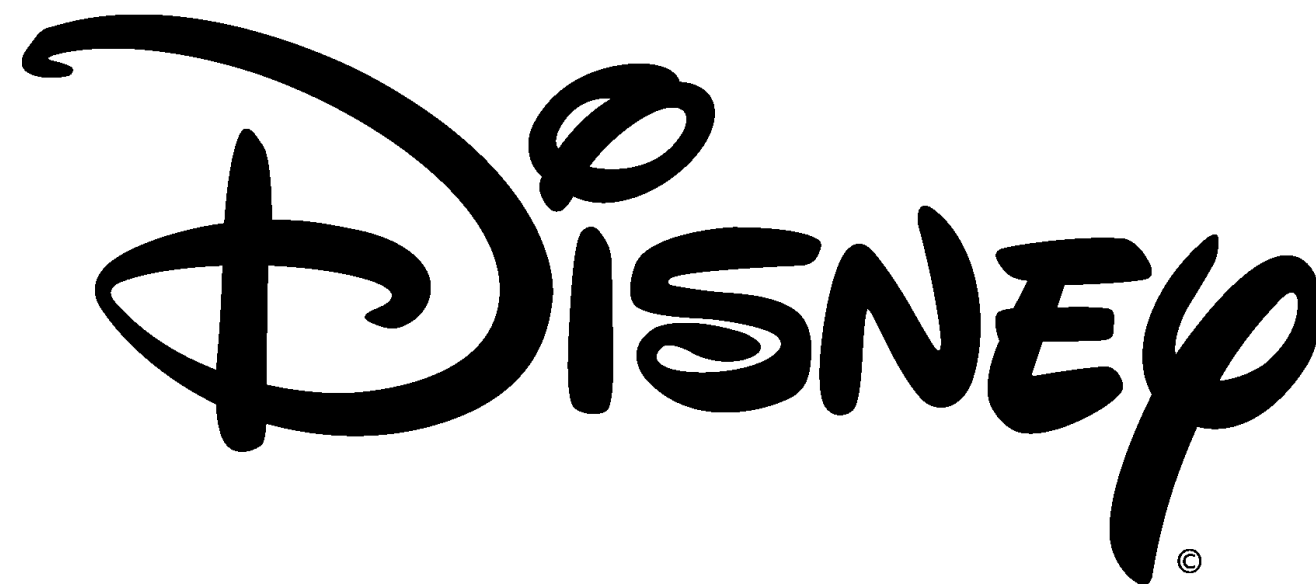
PLATFORM HOLDERS/GATEKEEPERS



Who are your partners?

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EXTERNAL MEDIA/IP HOLDERS



Marketing: bundle up with other developers

MOOCH OF EACH OTHER'S SUCCESS AND ADD A CHARITY FOR GOOD MEASURE.

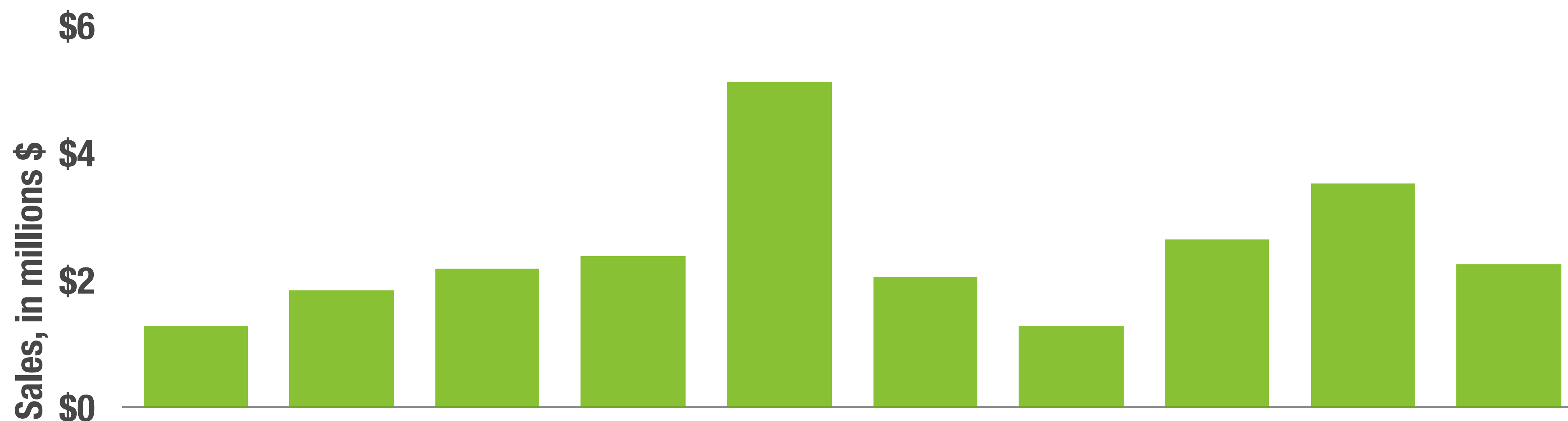


Humble Indie Bundle	1	2	3	4	5	6	7	8	9	11
Total Payments	\$1,273,617	\$1,826,972	\$2,169,964	\$2,373,879	\$5,108,292	\$2,048,785	\$1,279,870	\$2,631,566	\$3,503,646	\$2,233,910
Purchases	138,813	232,855	372,399	435,251	599,003	316,282	200,593	448,996	715,013	475,355
Average Purchase	\$9.18	\$7.85	\$5.83	\$5.45	\$8.53	\$6.48	\$6.38	\$5.86	\$4.90	\$4.70
Windows	\$8.05	\$6.68	\$4.89	\$4.87	\$7.98	\$5.82	\$5.99	\$5.48	\$4.62	\$4.48
Mac	\$10.17	\$9.28	\$7.73	\$7.61	\$9.99	\$7.59	\$7.01	\$6.99	\$6.04	\$5.44
Linux	\$14.42	\$13.73	\$12.00	\$10.41	\$12.5	\$10.48	\$8.62	\$8.96	\$7.50	\$7.07

Source: <http://support.humblebundle.com/customer/portal/articles/281031-prior-bundle-statistics>

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OWATE

ade a game



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Ontology of a game studio, part 2

Months of research examining successful and failed games help to articulate the design parameters for your new mobile game:

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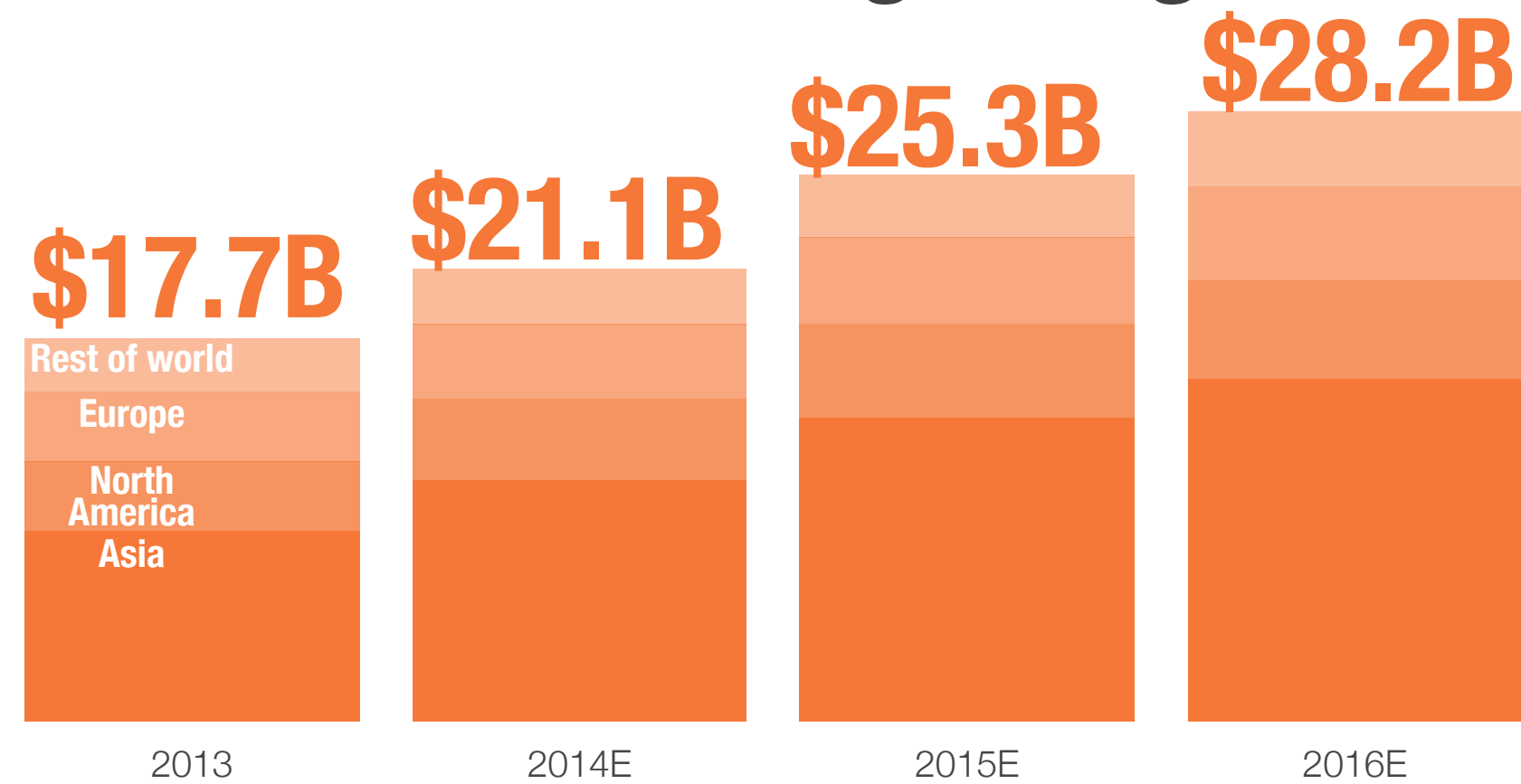
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- ★ The name described the action in the game

Mobile games market is entering its next phase

AS THE MARKET MATURES AND SATURATES, MOBILE DEVS ADJUST THEIR STRATEGY.

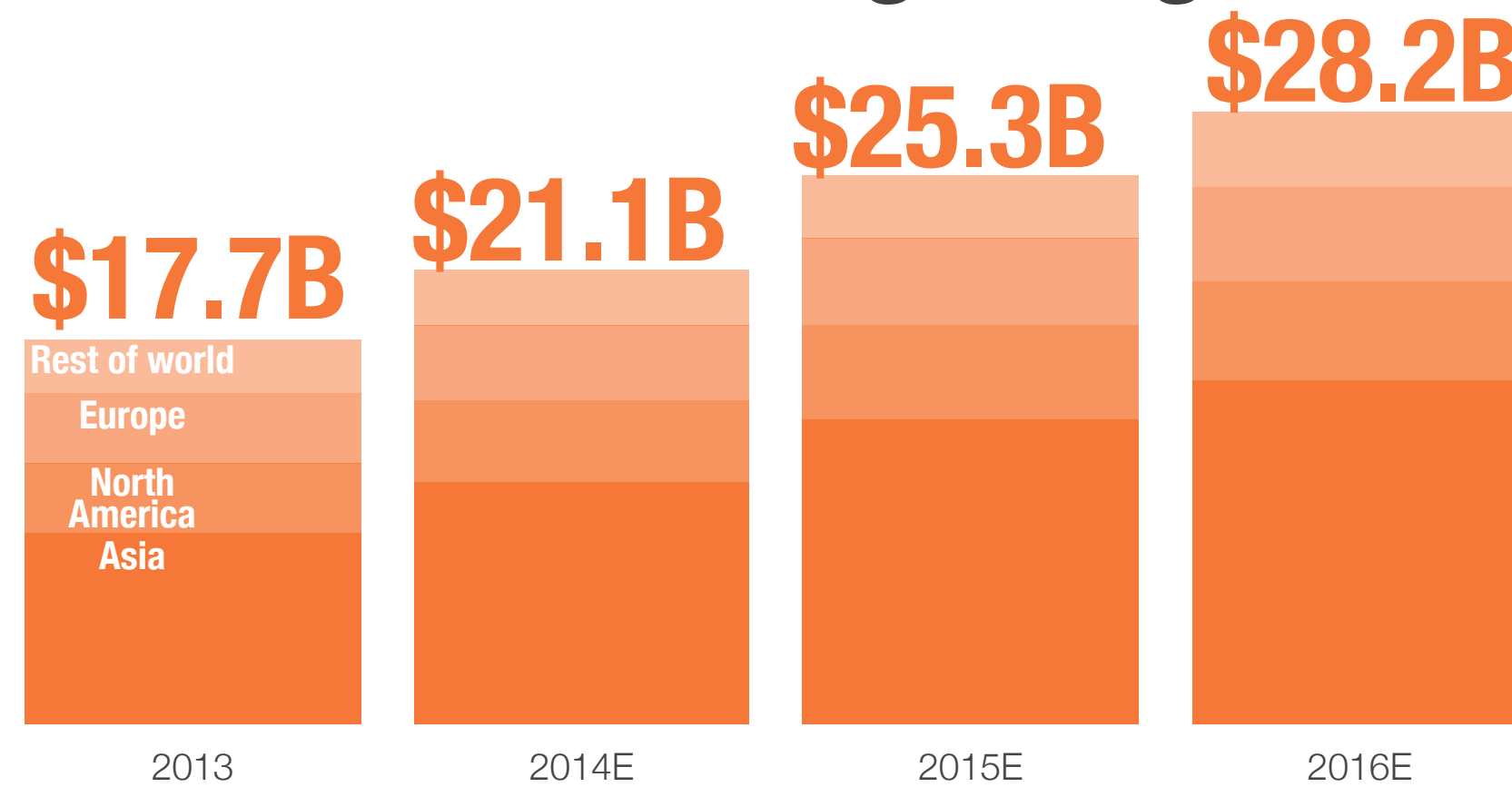
Worldwide mobile gaming revenue



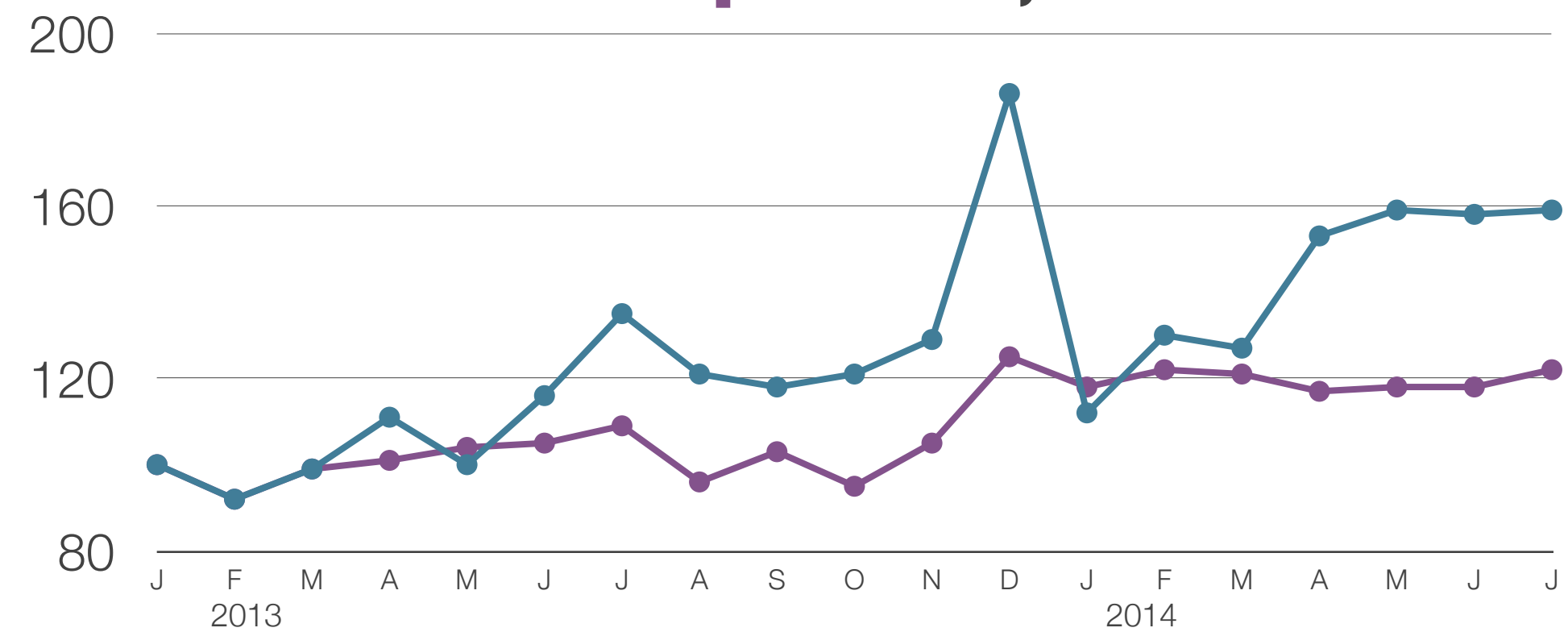
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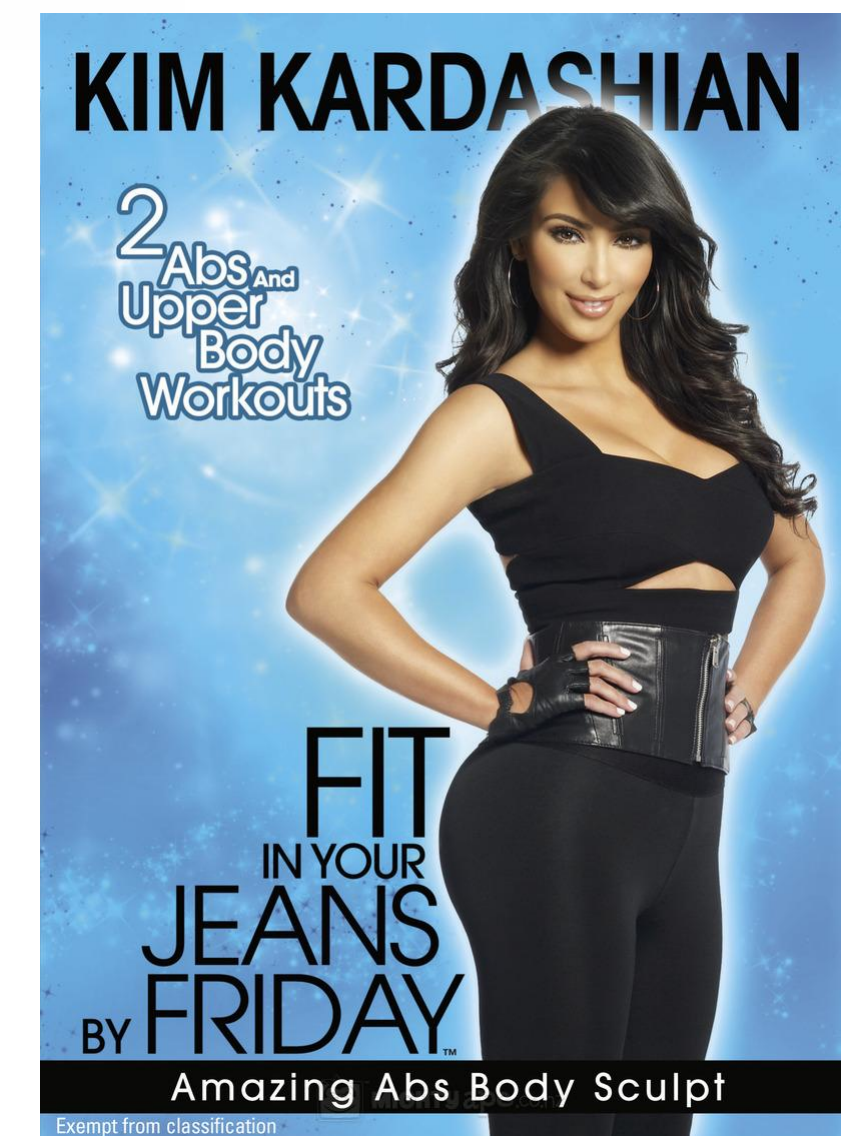
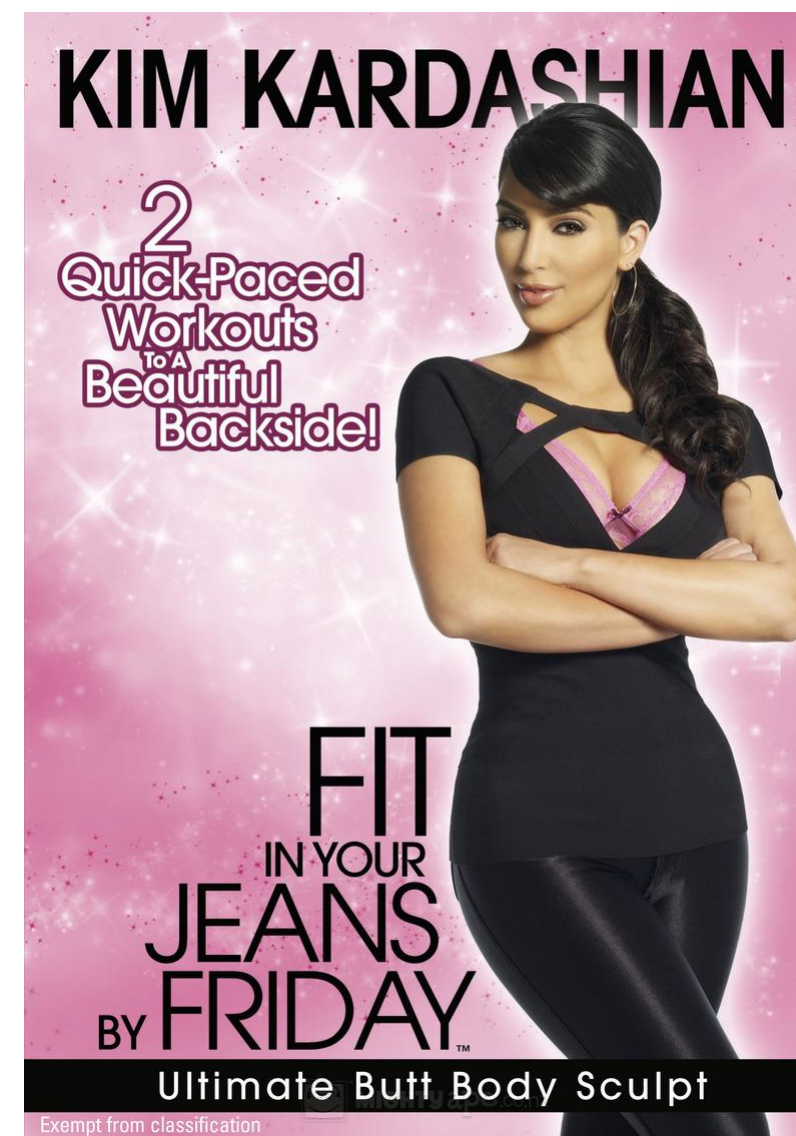
Worldwide mobile gaming revenue



U.S. iOS cost-per-install vs. average revenue per use, indexed*



Celebrity branding





Level 19



20



115,677



21



#29

623.3K
fans



Spring Fashion Week



MARVEL

MARVEL

SPIDER-MAN UNLIMITED

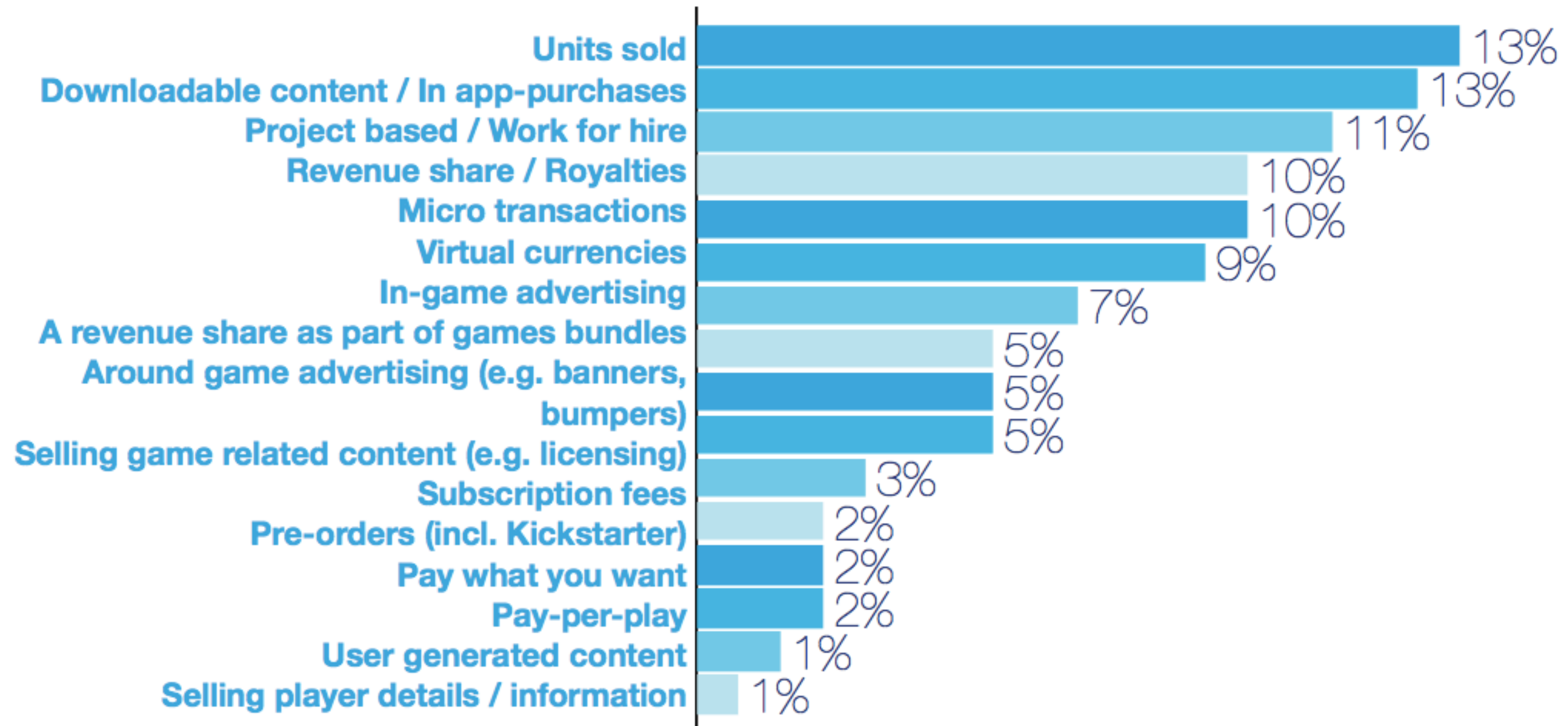
GET READY TO SUIT UP!

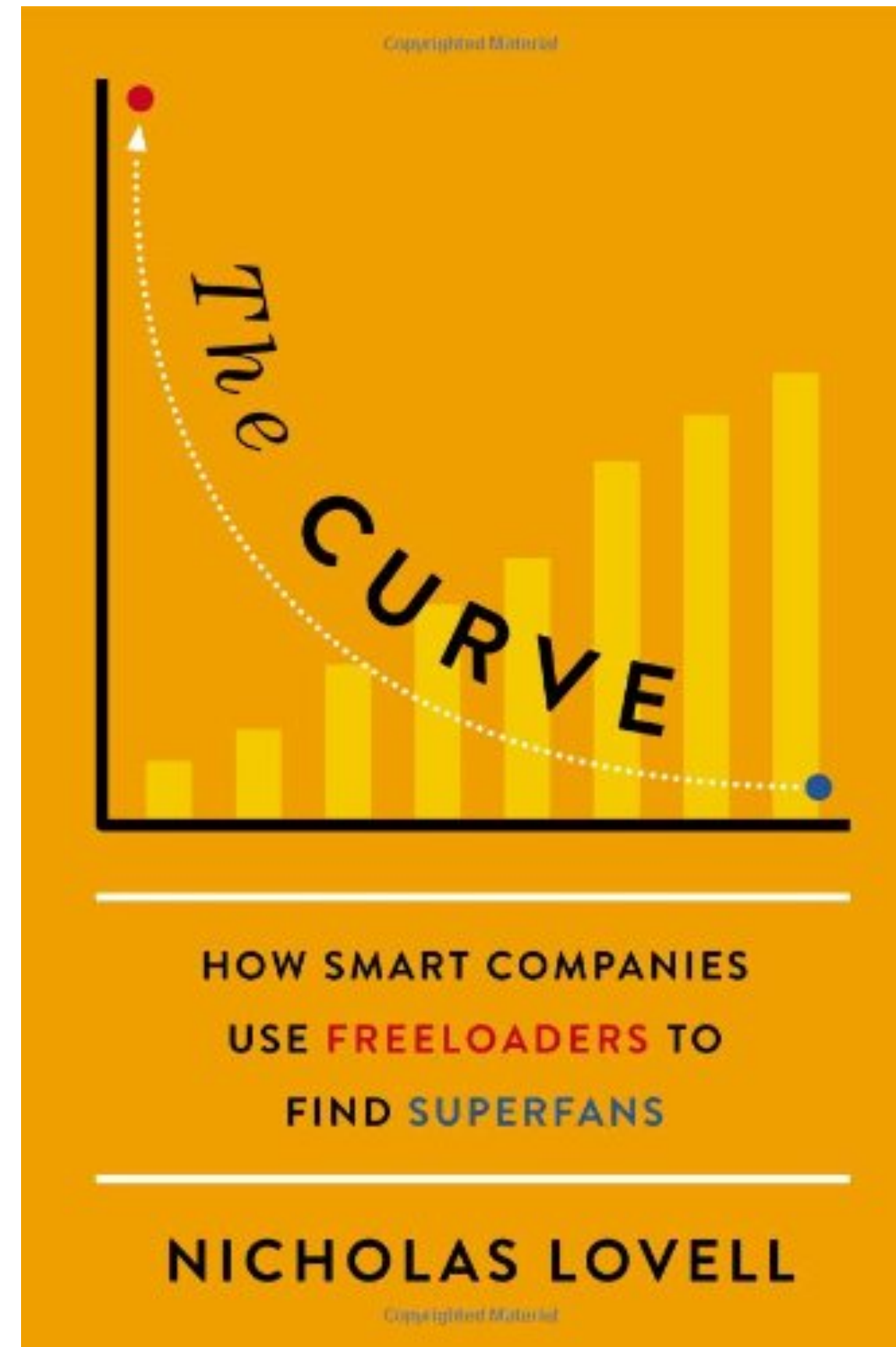


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How do you generate income?

TO REDUCE RISK, MANY GAME STUDIOS EMPLOY MULTIPLE REVENUE MODELS AT ONCE.



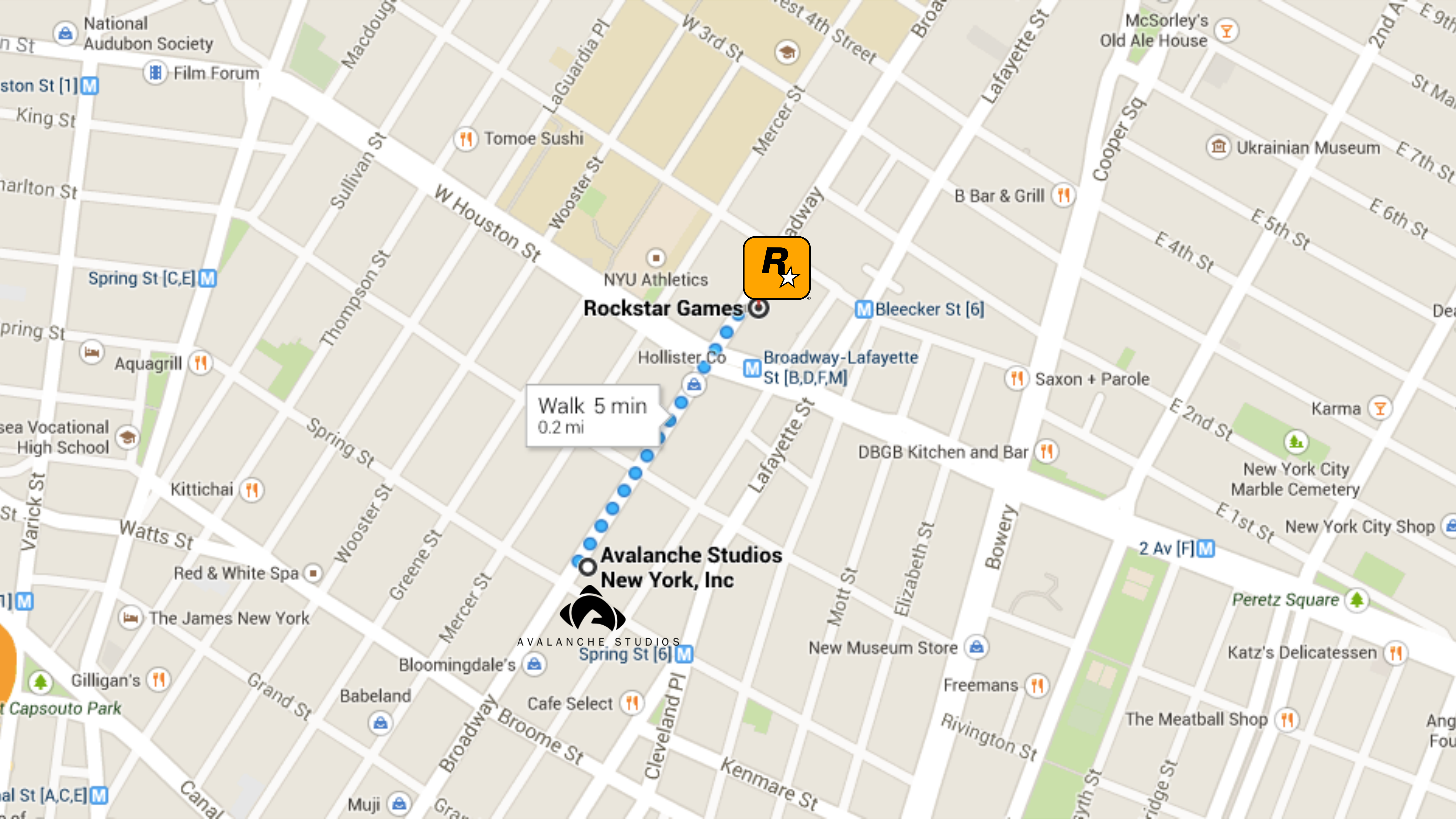


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What type of organization do you want to be?







Rockstar Games

Walk 5 min
0.2 mi



**Avalanche Studios
New York, Inc**

Spring St [6] M



Peopleware

Productive Projects
and Teams

THIRD EDITION

Tom DeMarco
&
Timothy Lister



De-risking game development in the digital era.

Four strategic questions every game company should ask itself.

Results and findings from a detailed survey study among 41 UK-based game companies in addition to five in-depth case studies, with a focus on evolving customer preferences, value creation, popularity of certain platforms and the ways in which income is generated from interactive entertainment. SuperData acknowledges the support and input from UKIE during the execution of the underlying research for this report.

Thanks!

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